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SECURITY INFORMATION

9 FEB 1952

Dear Dick,

25X1A9a

Your recent letter to [redacted] mentioning the lapse in reporting from Washington brought several twinges of conscience. I couldn't agree with you more on the importance of frequent two-way communication between the home office and field units. In part, the postponement of a report has been due to difficulty in determining how the [redacted] team should be constituted. It was thought, as you know, that the team should be administratively attached at a rather high level and operate in an over-all advisory capacity. However, the practical arrangements for this approach presented some difficulties which had not been foreseen. The suggestion in your letter of 3 January that the ORE team should operate more closely to the field units was appreciated. In fact, it is presently thought that ORE personnel in [redacted] will be assigned to several of the main field units. This is sacrificing, somewhat, the "team" approach, but we hope that operationally the concept of a team of economic specialists available to advise all field offices on economic intelligence will be retained.

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We are currently attempting to select personnel for [redacted] and hope to complete the administrative arrangements in the coming month. The matter of the car is still tied up in the over-all plan.

Your last letter to Ed has been circulated. The paragraph on the difficulties of acquiring bearings was reproduced in the Daily Diary and appreciated by all hands.

The NIE-33 country studies and the IBM runs on industrial installations in the USSR and Eastern European satellites have been forwarded to [redacted]. We were not able to obtain copies of the ORE country studies and working papers but believe that these reports have been dated by the NIE-33 material.

The information concerning [redacted] was passed on to Matt Baird in the Office of Training. He was impressed with its possibilities and plans to send several agency people. Also the information in your letter of 12 December on how [redacted] responds to requirements in the processing of its reports was given to [redacted]. He has discussed this problem with [redacted] and is considering special requirements for submission to [redacted].

[redacted] was extremely interested in the list of studies which had been prepared by [redacted]. He believes that the focus of the studies reveals a keen understanding of some of the most pressing questions in Soviet agriculture. [redacted] would like copies of all the studies, but suggests that the following studies be procured first:

Evaluation of Military Grain Reserves of the USSR
Indications of Preparation of USSR Agriculture for Conditions of War

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Presence of Mechanization Cadres for War in USSR Agriculture
Production of Strategic Raw Materials in the Kolkhozes (Rubber Plant Culture)
Definition of Consumption of Motor Fuel in USSR Agriculture
Struggle for Cotton Independence as a Link in USSR War Preparations
Economic-Political Results of Post-War Five-Year Plan in Agriculture
Politico-Economical Trends of Development of Agriculture in 1951-1955 (Forecast)
Soviet Agriculture After War

Our general program moves slowly but steadily forward. Internally, the most important study is on Soviet Capabilities. The project was requested by the [REDACTED] and the military have undertaken to furnish information on the material requirements of the Soviet armed forces in time of war. This work is being directed by the Economic Capabilities Branch in [REDACTED] [REDACTED] has taken over as branch chief and is being backed-up by a number of newly recruited young economists. Other important projects are: (1) NIE-59, a basic paper on East-West trade, and (2) 105/51-Power and Fuel Requirements and Distribution Patterns in the USSR. Final deadline dates will converge upon us during the next six weeks.

Meanwhile we are still attempting to make some progress in training. [REDACTED] shop has set up a three-months' training program for members in all other divisions which should start next week. Training in language and economics also goes on.

[REDACTED] 25X1A9a [REDACTED] 25X1A [REDACTED] has been [REDACTED] for the past six weeks helping to get the numbers racket teams under way on [REDACTED] materiel. For all intents and purposes the military have deferred to CIA in this field. George should be in Bombay at this writing, with [REDACTED] covering the Soviet Orbit industrial exhibition. Both should return to the States the second week in February after a quick stop-over [REDACTED] 25X1A

Within the office there have been a minimum of changes. New people have been coming aboard and we are severely pressed for space. The average density is about five persons per room but we expect some relief in March when OGD moves into the stadium. Max Millikan became senior consultant to OPR on 1 February, but is spending most of his time with us until his successor arrives. [REDACTED] 25X1A8a [REDACTED] will benefit from his personal direction as a result of the shift.

We plan to reenforce you soon in that important job of educating field officers to economic intelligence problems and requirements.

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